

# DISCOVERY PROJECT - UPDATE

APRIL 2012

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## **1.1 Background**

For several years there have been issues with the Faculty of Engineering and Applied Science ('the Faculty' or 'Engineering') having numerous overspent research accounts (for example, FOAPALs 24541-2310 and 27805-2310 have a combined deficit of \$1.3 million as at December 18, 2011). In Phase I of the Discovery Project completed in January, 2012, a funding source of \$1.3 million, which is an endowment from Wascana Energy Inc. (this company no longer exists) from 1997 was identified within Trust as a payment option for these overspent accounts. The transfers from Trust (fund 60239) were made on April 19, 2012 to overspent research funds: 252187, 24541, and 27805 on J1204264.

## 1.2 Update

### 1.2.1 Engineering Research Accounts – Updated Balances

#### 1.2.1.1 Detail

As was noted earlier, major overspent funds as indicated below were covered by an endowment available for Petroleum Technology of approximately \$1.3 million. The updated balances of the accounts related to the Discovery Project Report in January, 2012 are noted below. All balances are as at April 25, 2012:

<b><u>Fund Manager</u></b>	<b><u>Fund</u></b>	<b><u>Fund Name</u></b>	<b><u>(Over)/Underspent Amount</u></b>	<b><u>Explanation</u></b>
Tontiwachwuthikul, Paitoon	24541	Int'l Test Centre Expenses	-	This fund was previously overspent by \$1,222,347.52. A portion of the funds identified for repayment (\$1,215,543.85) were utilized to cover this balance.
deMontigny, David	252187	Membrane Research - de Montigny	-	This fund was previously overspent by \$13,869.01, which was covered by a portion of the funds identified for repayment.
Tontiwachwuthikul, Paitoon	27531	Eng.Equip.Fund-Gener	(7,693.77)	While this individual Equipment fund continues to be overspent, Engineering has 6 equipment funds with an overall positive balance of \$115,383.32.
Tontiwachwuthikul, Paitoon	27805	Analytical and Tech Support	340.00	This fund was previously overspent by \$88,076.79. A portion of the funds identified for repayment (\$87,261.44) were utilized to cover this balance.
		<b>Total</b>	<b>(7,353.77)</b>	This amount is reduced from January's overspent amount of \$1,330,287.09

<b>CFI Overspent Funds:</b>				
Morgan, Yasser (2010)	229020	CFI/AEEL - Integrated - Morgan	(34,250.00)	This has been funded by VPR. Any overhead that would have been paid to the Faculty on contract are being recovered until these amounts are collected.
Huang, Gordon (2010)	229021	CFI/AEEI-CRC Infrastructure-Huang	(58,831.00)	This has been funded by VPR. Any overhead that would have been paid to the Faculty on contract are being recovered until these amounts are collected.
Huang, Gordon (2012)	N/A	Current LEF/NIF Application	(300,000.00)	
Chan, Christine (2012)	N/A	Current CRC Renewal Application	(28,600.00)	
		<b>Total</b>	<b>(421,681.00)</b>	

An additional problem account was also identified in the analysis of research accounts:

<b><u>Fund Manager</u></b>	<b><u>Fund</u></b>	<b><u>Fund Name</u></b>	<b><u>(Over)/Underspent Amount</u></b>	<b><u>Explanation</u></b>
El-Darieby, Mohamed	24754	CANARIE - ONE-ITS - El-Darieby	(28,831.11)	These expenses have been deemed ineligible by the funding agency (CANARIE). They are currently being disputed ORS is looking into trying to have them covered by CANARIE. Because they are currently in dispute, they have not been included in the balance of overspent accounts. Dr. El-Darieby has requested assistance from the VPR to cover this balance.

## 1.2.2 Amounts Available in Trust

### 1.2.2.1 Detail

After the associated transfers from Trust account (60239), there are some balances remaining related to this Endowment in excess of the overspent research accounts that were identified:

<b><u>Fund</u></b>	<b><u>Fund Name</u></b>	<b><u>Balance Available for Transfer</u></b>	<b><u>Explanation</u></b>
60239	Wascana Energy Petro Research Chair	3,543.80	This is the balance of the endowed portion.
65239	Wascana Energy Petro Research Chair	91,165.00	This is the balance of the expendable portion including the current year's interest allocation of \$73,127.20.
	<b>Total Remaining Balance</b>	<b>94,708.80</b>	

## **1.3 Final Conclusion**

Overspent research accounts are no longer an issue from a current balance stand point. Financial Services will continue to monitor these balances and contact the appropriate person/people to help ensure that an issue does not arise in the future. However, should accounts become overspent again, there the approximately \$95,000 as indicated in section 1.2.2.1 is available to offset them.